



COMMUNITY DEVELOPMENT DEPARTMENT

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PLANNING COMMISSION MEETING MINUTES

REGULAR MEETING

APRIL 27, 2010

PRESENT: Tanda, Mueller, Escobar, Koepp-Baker, Moniz

ABSENT: Liegl

LATE: None

STAFF: Planning Manager (PM) Rowe, Senior Planner (SP) Linder, Senior Civil Engineer Creer, Housing Manager Ordoñez and Development Services Technician (DST) Bassett.

Chair Tanda called the meeting to order at 7:00 p.m., inviting all present to join in reciting the pledge of allegiance to the U.S. flag.

DECLARATION OF POSTING OF AGENDA

Development Services Technician Bassett certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

OPPORTUNITY FOR PUBLIC COMMENT

Chair Tanda opened, and then closed, the floor to public comment for matters not appearing on the agenda as none were in attendance indicating a wish to address such matters.

MINUTES:

THE DRAFT MINUTES FOR THE APRIL 13, 2010 MEETING WILL BE INCLUDED IN THE NEXT PLANNING COMMISSION MEETING PACKET.

PUBLIC HEARINGS:

DEVELOPMENT AGREEMENT AMENDMENTS

Requests to amend the Development Agreement for seven on-going projects to re-incorporate the Development Schedule, extend development deadlines, modify Paragraph 18 allowing the City Manager to approve future development agreement amendment requests, and extend the dates for the BMR Reduction Program.

PLANNING COMMISSION MEETING MINUTES

APRIL 27, 2010

PAGE 2

**1A) DEVELOPMENT
AMENDMENT
AGREEMENT,
DAA-04-09E: E.
DUNNE-JASPER
PARK:**

The 78-unit single-family residential development is located on southwest corner of the intersection of E. Dunne Ave and San Benancio Way. (APN 817-11-067 & 072)

**1B) DEVELOPMENT
AMENDMENT
AGREEMENT,
DAA-05-07F: WRIGHT-
MANANA:**

A 15-unit single family attached project located on a 2.56 acre site on the northwest corner of the intersection of Wright Ave and Hale Ave. (APNs 764-32-062 & 063)

**1C) DEVELOPMENT
AMENDMENT
AGREEMENT,
DAA-06-02D: SAN
PEDRO-ALCINI:**

The 12-unit single family attached project is located on the northwest corner of the intersection of Church St. and San Pedro Dr. (APN 817-01-001)

**1D) DEVELOPMENT
AMENDMENT
AGREEMENT,
DAA-06-04B: DIANA-
CHAN:**

The 117-unit single family detached development is located on a 42 acre site on the south side of Diana Ave. between Murphy Ave. and Ringel Dr.(APNs 728-18-012, 728-19-001, 002, 003 and 728-20-037 & 038)

**1E) DEVELOPMENT
AMENDMENT
AGREEMENT,
DAA-07-03A: E.
CENTRAL-UHC:**

A 49 unit senior housing project on a 2.6 acre site located on E.Central Ave. west of the railroad tracks. (APN726-23-015)

**1F) DEVELOPMENT
AMENDMENT
AGREEMENT,
DAA-08-01: MYRTLE-
LATALA:**

The 6-unit project is proposed at 50 Myrtle Ave. (APN 817-01-022)

**1G) DEVELOPMENT
AMENDMENT
AGREEMENT,
DAA-08-02: DIANA-
EAH:**

The project consists of 40 townhouses, 40 senior apartment units on an 8-acre project site bound by E. Dunne Ave., Butterfield Blvd., Diana Ave. and the railroad. (APNS 726-04-12)

Linder presented her staff report.

1A) E. DUNNE-JASPER: This project is half built. Applicant has asked for a 12-month extension of the FY 08/09 allocations. Staff is also recommending extensions of the dates leading up to the commencement of construction date as well as a 12-month extension of the FY 2010/11 allocations.

Tanda: Why hasn't this project submitted for Final Map, plan check and building

PLANNING COMMISSION MEETING MINUTES

APRIL 27, 2010

PAGE 3

permits, when those deadlines have been missed? Why haven't requests for extensions been made?

Linder: I don't know why the extensions didn't occur, because those are basic milestones, but the associated dates are now being moved out to match with the commencement of construction date.

Tanda opened and closed the floor to public hearing.

COMMISSIONERS MUELLER AND KOEPP-BAKER MOTIONED TO APPROVE THE MODIFICATIONS TO THE DEVELOPMENT AGREEMENT

**THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE:
AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: LIEGL**

Mueller excused himself due to conflict of interest with the Agenda Item 1B.

1B) WRIGHT-MANANA: Applicant is requesting an amendment to Paragraph 14.j regarding the ability to coordinate with the Public Works department regarding the storm water retention/detention basin within the Llagas Creek channel area. Staff is recommending the modification under Paragraph 14.j.

Tanda opened the floor to public hearing.

Dick Oliver of Dividend Homes appeared on behalf of the project.

Oliver: This project has been held up by fiscal problems as well as issues with the Santa Clara Valley Water District (SCVWD) for 3-4 years. After meeting with SCVWD last week, it was clarified that due to a recent modification to their policy, if we do not touch the creek, but instead retain the water on the adjacent property, we do not need approval from the SCVWD. We are now working with Public Works to be able to move ahead with the project.

Escobar: Is staff current with the SCVWD modification where if we don't allow water to go into the creek, we're not required to seek approval from the SCVWD?

Linder: I have not had that discussion with the water department.

Oliver: To clarify, we would still have to go through the process with the City and we're doing that now.

COMMISSIONERS ESCOBAR AND MONIZ MOTIONED TO APPROVE THE MODIFICATIONS TO THE DEVELOPMENT AGREEMENT

**THE MOTION PASSED (4-0-0-2) WITH THE FOLLOWING VOTE:
AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: LIEGL, MUELLER**

Meuller then rejoined the commission.

1C) SAN PEDRO-ALCINI: This project has only completed three of the steps toward commencement of construction. Therefore, staff is not recommending a 24 month extension as requested, but a 12 month instead.

Tanda opened the floor to public hearing.

Harry Singla of MH Engineering appeared on behalf of the applicant.

Singla: I believe this project is at step 6.

Linder: Final Map is submitted but is not yet approved. Planning Applications have been approved but not the final map and improvement plans. A Master Plan has not been submitted to the Building Division so it could not yet be approved. We are still awaiting Final Map approval.

Singla: We will take the 12 months granted, but we'll be back in 12 months to ask for another extension.

Escobar: What are we looking for in the way of progress in the 12 months?

Linder: According to Council policy, we have been instructed to look favorably on extension requests for projects that have completed up through step 6. The project would need to submit plans for plan check and have permits ready to be issued so that when things get going, the map could be recorded and building could begin.

Creer: Submittals have been in four to six weeks. A final review was done and returned late last week or Monday. It was a fairly clean plan check.

Mueller: How long have we been waiting for those plans to come in? These are FY 08/09, so we should have been to this stage a long time ago. Council adopted a policy and we should stick with that.

Tanda closed to floor to public hearing.

COMMISSIONERS MUELLER AND ESCOBAR MOTIONED TO APPROVE THE MODIFICATIONS TO THE DEVELOPMENT AGREEMENT WITH A 12-MONTH EXTENSION AS RECOMMENDED BY STAFF

**THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE:
AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: LIEGL**

1D) DIANA-CHAN: This project is moving very slowly. They are almost through step 1 and step 2. Staff is not concurring with applicant's request for 24 month extension but is only recommending 12 months. The project is in contract with KB homes. KB Homes has a very aggressive development schedule and are anxious to move forward. In that regard, a 12 month extension should be more than adequate.

Tanda opened the floor to public hearing.

PLANNING COMMISSION MEETING MINUTES

APRIL 27, 2010

PAGE 5

Maureen Upton appeared on behalf of the project.

Upton: This project has faced the economic downturn in the housing market and a lack of financing, like all the other projects. We have entered into an agreement with KB homes and expect that this project will now move forward with regular progress. We are in agreement with staff's recommendation of extension dates and the modification of Paragraph 18.

Mueller: How close are you to finalizing the contract with KB Homes?

Jeff McMullen of KB Homes appeared.

McMullen: We are basically done with the contract to purchase the property.

Mueller: So you believe you can build 18 units in the next year? When can you pull the permits?

McMullen: Our goal is to get the permits into the City by January of 2011.

Mueller: That is a larger number of permits being pulled than we've seen with any of the other projects in a long while, so I'm assuming you're self-financed.

McMullen: We are self-financed; we're not seeking any bank loans. We sell the houses and then we start the unit. But we can pull the permits ahead of time. That's how we do all our other projects.

Tanda closed the floor to public hearing.

COMMISSIONERS MUELLER AND ESCOBAR MOTIONED TO APPROVE THE RESOLUTION WITH A 12-MONTH EXTENSION AS RECOMMENDED BY STAFF

**THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE:
AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: LIEGL**

1E) CENTRAL-UHC: This project has done basically everything. They are very close to pulling permits. They do need a little more time, however. They have asked for a 12 month extension and staff concurs.

Tanda opened the floor to public hearing.

Mark Irving of Urban Housing Communities appeared. The project is very, very close and the Subdivision Agreement goes before council tomorrow night. We are utilizing low income tax credits and we are just trying to get to close of escrow. We thought that would be in March, but it looks like it will be May. Also, we had to have sewer and water stubbed to meet the commencement of construction date, and we weren't going to be able to do that by June 30, so that's why we're asking for an extension.

PLANNING COMMISSION MEETING MINUTES

APRIL 27, 2010

PAGE 6

Tanda closed the floor to public hearing.

Mueller: Please explain the dates on Exhibit B.

Linder: That is a typo, it should just be a one year extension. This was meant to be an extension just for the short term.

COMMISSIONERS MONIZ AND MUELLER MOTIONED TO APPROVE THE RESOLUTION AS MODIFIED WITH A 12-MONTH EXTENSION

**THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE:
AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT:LIEGL**

1F) MYRTLE-LATALA: This is a micro project. They are asking for an 18 month extension. The project has gone as far as it can go through our process and, based on its progress, does warrant the 18 month extension as requested.

Tanda opened and closed the floor to public hearing.

COMMISSIONERS MUELLER AND ESCOBAR MOTIONED TO APPROVE THE RESOLUTION

**THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE:
AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT:LIEGL**

1G) DIANA-EAH: This is a request for a 12 month extension of the development dates and a modified paragraph 18. There are no changes to the resolution.

Mueller: Where are we on the financing with the first 40 units?

Terry: They have yet to obtain financing through the federal tax program but they are still trying. They have all of their approvals.

Tanda opened and closed the floor to public hearing.

COMMISSIONERS MUELLER AND ESCOBAR MOTIONED TO APPROVE THE RESOLUTION

**THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE:
AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT:LIEGL**

**2) GENERAL PLAN
AMENDMENT,
GPA-10-03/
ENVIRON MENTAL
ASSESSMENT,
EA-10-05: CITY OF
MORGAN HILL-2010**

The project consists of an update of the Housing Element of the Morgan Hill General Plan. The update has been prepared to meet the requirements of State law and local housing objectives. The update covers the period of 2007-2014. The updated Element includes a comprehensive statement of current and projected housing needs in Morgan Hill and goals, policies and actions intended to address those needs. A Negative Declaration is proposed.

PLANNING COMMISSION MEETING MINUTES

APRIL 27, 2010

PAGE 7

HOUSING ELEMENT:

Rowe presented his staff report and stated that the update is required to be certified by the state. It updates the current housing needs, and the goals and objectives to accomplish those needs. Each city and county is given the task to provide their share of housing. We submitted our report to the State. They have reviewed it. It is now back to us to make the final changes. Then it will go to the State in final form. We weren't able to complete everything at this time. For now, we are recommending that this item be tabled. Hopefully, it will be back on the agenda in June.

Tanda opened the public hearing.

Kevin Cary, a resident of Morgan Hill, appeared.

Cary: As I understand it, we're required by the State to provide a certain number of affordable units. I don't understand the Negative Declaration. Does that mean we're not going to provide as many units as they suggest?

Mueller: A Negative Declaration is a way of answering the California Environmental Quality Act (CEQA) for the housing element. It is a study that states the scale of the impacts to the environment.

Tanda closed the floor to public hearing.

COMMISSIONERS MUELLER AND ESCOBAR MOTIONED TO TABLE AGENDA ITEM 2

**THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE:
AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: LIEGL**

3) ZONING AMENDMENT, ZA-10-01: CITY OF MORGAN HILL- CHANGES TO THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM STANDARDS & CRITERIA

A request to amend Chapter 18.78 of the Morgan Hill Municipal Code, amending the evaluation standards and criteria for proposed residential developments as set forth in Sections 18.78.200 through 18.78.410 of the Municipal Code. The proposed amendment is exempt from environmental review under Section 15061(b)(3) of the State CEQA Guidelines.

Rowe presented his staff report and stated that a subcommittee was appointed to review the RDCS standards and criteria.

Section 1: Methodology for Scoring.

Escobar: In the third paragraph where it talks about points, is there a reason for not awarding points for a four bedroom unit as another option? Is it because townhomes usually don't have four bedroom units?

Mueller: It was meant to be a tradeoff so that 1, 2, 3 bedroom units could get so many points, or a project could get an extra point for a four bedroom or single story unit.

Escobar: That's not reflected here.

Rowe: It's covered in Paragraph 4.

Escobar: In the next paragraph when it says "75 percent of one housing type," are you talking about 75 percent of the total units?

Rowe: That's correct.

Section 2: Recommendations to Implement Changes to Housing Element Policies. Rowe presented his staff report and stated that the policy recommendations regarding the R-1 4,500 zone will be adopted at the same time the R-1 4,500 zoning is adopted.

Tanda called for a break at 8:00 and reconvened at 8:10.

Mueller: What is the schedule for adopting the R-1 4,500 zoning?

Rowe: It is at least two months away, maybe by the end of June.

Mueller: Will we be able to get this done in time so that it's in place before the competition in October?

Rowe: It will certainly be in place before the October filing. If the Council and the subcommittee occur with these changes, they could be advertised as changes that will be applied to the competition in October.

Escobar: What is the specific analysis that will take place as a result of policy 1d-3?

Rowe: Right now we have a policy that says we have to reserve 20 percent for affordable categories, which is typically 75% percent affordable and 25% moderate. Then we have the Housing Needs section which says that you'll commit to set aside 5% low and 5% median if you want to get the RDCS points. This annual report will be the means to chart what we have and what we need. Before we've just had indicators.

Ordoñez: We previously did an analysis in 2008 showing what the RHNA numbers were. This report would be to show what has been allocated, what has been constructed, and then based on allocations, what is in the pipeline. It would basically be a progress report.

Escobar: So the intent going forward would be to determine what modifications need to be made?

Ordoñez: Correct.

Escobar: Regarding Paragraph a. under Lot Layout, if you have to add 20 percent to the minimum setback, doesn't that inherently change the minimum setback.

Rowe: Correct, 20 feet is no longer the minimum.

Mueller: But that's optional. It's just a way to pick up a point in that category.

Escobar: On page 5 Paragraph 2, is there going to be criteria established to make a determination on a case by case basis?

Rowe: No, we do not have anything proposed.

Section 3: Review Fee Structure. Rowe presented his staff report and stated that staff is not recommending that the fees be lowered, due to projections for a sustainable budget and future implications, and because those fees are based on cost recovery. If the Commission supports the subcommittee's recommendation for lower fees, it is suggested that a separate fee analysis be done and brought back before the Commission for consideration.

Ordoñez: There isn't an adopted City Council policy regarding fees, but the practice for the use of housing fees has always been to get approval from City Council and to use those funds for housing related activities.

Mueller: Planning Commission would like to review the budgetary impacts of the proposed fee reductions.

Ordoñez: The "budgetary impacts" analysis is normally the purview of the City Council and may be beyond the scope of the Planning Commission's review.

Mueller: The Commission has reviewed impacts related to RDCS fees in the past.

Rowe: City Council will be reviewing the cost of the Development Survey on April 28, 2010.

Section 4: Amendment to Quality of Construction Evaluation Category. Rowe presented his staff report and stated that to be consistent with the Sustainable Budget, changes under Quality of Construction are being incorporated into the resolution. As it now stands, a project would be scored using the version of the Build It Green (BIG) checklist that is in effect at the time the application is filed. To be consistent with Sustainability Regulations, we would now require a project to submit a current version of the BIG checklist when applying for the Building Permit.

Moniz: Regarding RDCS fees, is the intention to adopt the italicized text?

Rowe: The italicized text is the subcommittee's recommendation. Staff's recommendation is not to lower the fees but to do an analysis first, to tie the adjustments to the housing fee index and then come back for further consideration.

Mueller: That is prudent since Council would ask for us to do an analysis before adopting a recommendation anyway.

Tanda opened the floor to public hearing.

PLANNING COMMISSION MEETING MINUTES

APRIL 27, 2010

PAGE 10

Vince Burgos appeared.

Burgos: There is a correction to item d, page 4 under Housing Types. It reads, “a project which provides four units....” It is supposed to read “a project which *also* provides four units....” Under Lot Layout, paragraph a, it says “depth of the *lot*”, but it should say “depth of the *unit*”.

Dick Oliver, a member of the subcommittee, appeared.

Oliver: I strongly support the subcommittee’s recommendations to reduce the fee structure. I would like to point out that though our impact fees are less than other cities, that does not take into account the Measure C fees, or the solar costs, which we have to provide in order to get the points. That means we actually pay around \$100,000, which is much higher than other cities. Another thing is, when you change the building code, you no longer get the points you were going to get. For example, next year it will be required that projects of over 50 units offer solar as an option on at least 50 percent of the houses. That means our costs are going to skyrocket. My suggestion is that when the building code changes, the builder is not required to spend additional funds that exceed amounts committed to.

Mueller: Is that solar requirement due to BIG?

Oliver: Yes, solar costs between \$10,000 and \$30,000 per unit. We just did a house in Alicante that cost \$35K. The prep work is separate.

Tanda closed the floor to public hearing.

Tanda: Regarding the recommendation that a project have at least 75 percent of one type of housing to be scored overall as a rental project or an ownership project, how did you come up with 75%?

Rowe: Because 25 percent has already been used as the basis in other zoning areas.

Mueller: Monterey-Dynasty got allowed as a 100 percent rental. I thought we said that that would not be allowed.

Rowe: Going forward, that is true.

Mueller: If a project has to be 100 percent rental, and now we’re saying it only has to be 75%, isn’t that creating the same problem again?

Rowe: The difference is that the Monterey-Dynasty project they had the ability to record a condo map. After ten years, they would have the option to sell. In a project going forward, the rental component would have to be apartments and could not be converted.

Mueller: That’s not what we we’re trying to do. If you compete in an apartment category, that’s all you should be able to get. You can’t convert.

Rowe: If it’s predominantly a multi-family rental, we would apply the number of

PLANNING COMMISSION MEETING MINUTES

APRIL 27, 2010

PAGE 11

bedrooms as the measure. But for the multi-family rental setaside, it would be 100 percent rental only. The 75 percent would be for a mixed use or open market project that has no restrictions.

Mueller: If it's a condo conversion, why wouldn't we score that project as a for-sale project and not a rental project?

Rowe: Under the third paragraph, for multi-family rental and ownership condo projects, points may be awarded for the number of bedrooms. So we're using the same methodology here.

Mueller: You're saying that in the new setaside category, you couldn't provide 50/50 apartments to sales. It would have to be 75/25 apartments to sales?

Rowe: Correct.

Mueller: When can staff bring back a fee reduction study?

Rowe: Once the impact fees are adopted, we could go back and look at the developer processing fees.

Mueller: Could that be done in time?

Rowe: I'd like to have it done by July.

Mueller: I don't agree with using cost of construction. The median price will grow faster than the cost of construction. The city will get more money if we use the median price.

Rowe: That could be looked at as part of the analysis.

Moniz: Regarding the 3 point amenity on page 2 of Exhibit A, is it a Jacuzzi and separate child pool, or is it Jacuzzi or child pool?

Rowe: It is "and."

Moniz: What would happen to the projects that fall between 40 and 50 units? How would they be categorized?

Rowe: It could be changed to read "20 to 49 units."

Escobar: Going back to page 5, on the case by case basis you stated there would not be criteria established, so can you give some perspective on how to allow this, since before this we were criticized for interpreting things ourselves?

Mueller: Previously, a project could score really high and max out on points. It would be too difficult to foresee each possibility. So this was a measure to reserve the right to make sure that the overall quality of a project didn't decrease.

PLANNING COMMISSION MEETING MINUTES

APRIL 27, 2010

PAGE 12

COMMISSIONERS MUELLER AND ESCOBAR MOTIONED TO APPROVE THE MODIFICATIONS TO THE CRITERIA AS RECOMMENDED BY STAFF AND CHANGE HOUSING MITIGATION TO HOUSING FEE AND CHANGE THE NUMBER ON PAGE 2 OF EXHIBIT B FROM 40 TO 49.

**THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE:
AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: LIEGL**

COMMISSIONERS MUELLER AND ESCOBAR MOTIONED TO APPROVE THE MODIFICATIONS TO THE PLANNING COMMISSION POLICY ON CHANGES FOR PROJECTS

**THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE:
AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: LIEGL**

Discussion

Meuller: I would like to make two recommendations: 1) That staff come back with a study that looks at lowering the developer fees per point in the RDCS and also include with that a check of the price index versus the cost of construction. 2) Staff make a change to the policy language addressing how the housing fees get spent.

Koepp-Baker: I will second the recommendations.

OTHER BUSINESS:

**4) RESIDENTIAL
DEVELOPMENT
CONTROL SYSTEM
(RDCS) FIRST
QUARTERLY
REPORT FOR 2010:**

Quarterly review of the progress of residential projects that have been awarded building allocations under the City's Residential Development Control System.

Rowe presented his staff report and noted that three of the projects that are shown as Behind Schedule are currently requesting Development Agreement amendments. Also, page 7 was revised to incorporate the list of the most recent year's allocations.

Mueller: Does the population estimate of 42,950 include all the new allocations?

Rowe: No, we will incorporate the population estimate based on the figures we get from DOF at the end of April with the new allotments in the next quarterly report.

Mueller: Based on our best estimate, we know the figure is off right now by approximately 3.01 times 249 units.

Rowe: Correct.

Koepp-Baker: Regarding Monterey-Alcini, page 2 states that they're thinking of letting the allocations go. Have they given notice to the City to that effect?

Rowe: No, their most recent discussions with Terry Linder indicate that they're going to request an extension of the allocations.

Mueller: So they're going to sell the project?

PLANNING COMMISSION MEETING MINUTES

APRIL 27, 2010

PAGE 13

Rowe: Yes.

Mueller: Is there anybody we need to put the squeeze on at this time?

Rowe: Not really, the two projects in the downtown and the Granary are now exempt under Measure A.

Mueller: If they're going to give up those allocations, then we ought to officially take them away so they can get folded into future years.

Rowe: The Council took action last June to extend the commence construction deadlines until the year 2011. Now that the Downtown Plan has been adopted there is really no justification to keep extending those allocations out any further. But we will continue to track them until they indicate they're either not going to proceed under these allocations and come in with a different project under Measure A, or the commence construction date is passed.

Mueller: I think we should update the number with the most recent allocations.

Rowe: We can do that for the City Council staff report.

5)MULTI-FAMILY VACANCY RATE REPORT:

Biannual review of apartment vacancy rate as required in accordance to the Morgan Hill Municipal code, Chapter 17.36. Staff will also present a Regional Housing Needs Allotment (RHNA) Progress Report at the April 27 meeting.

Rowe presented his staff report.

Ordoñez: We weren't able to get all the figures together by tonight. We anticipate having that for the next Planning Commission meeting.

Mueller: When will we make the recommendation to council for the next competition?

Rowe: May 25th.

Mueller: We will really need this report before then because we might want to alter the BMR agreement based on what it shows.

Ordoñez: We have already started some public outreach to the non-profit and for-profit community regarding the process to compete and how easy it is based on the minimum amount of setasides for that category. So hopefully we'll be able to generate some interest and get some applications for the next competition.

Mueller: Is South County Community Builders having problems?

Ordoñez: Not necessarily. Non-profits might have a lack of knowledge on how to deal with the RDCS process. I was fortunate enough to sit on the prior RDCS subcommittee. We want to communicate that it is actually easier than it seems to be for non-profit builders to compete, particularly when a certain amount of units are set aside.

PLANNING COMMISSION MEETING MINUTES

APRIL 27, 2010

PAGE 14

Mueller: On the Vacancy Report, there are two columns that should say 4/1/2010, not 2009, since the report does go to Council.

Ordoñez: Noted.

COMMISSIONERS MUELLER AND ESCOBAR MOTIONED TO APPROVE THE MULTI-FAMILY VACANCY REPORT AND FORWARD IT TO CITY COUNCIL

**THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE:
AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: LIEGL**

Discussion

Mueller: I believe that the Planning Commission requested that we bring back the condo conversion ordinance for review. We want to make sure as these types of projects come online, that their vacancy rate won't trip the 5% threshold. Right now they're not eligible to be counted for the first six months. I don't want a whole bunch of them to start considering it. No one else has a six month delay in condo conversion ordinances.

Ordoñez: There are some things staff can do that will help to not increase the vacancy rate. And since we're doing this twice a year, we have more of an ability to control it.

Rowe: We could also increase the sampling.

Meuller: I just want to review it ahead of time, so we don't get surprised. We probably have until the next report before we need it.

**ANNOUNCEMENTS /
COMMISSIONER
IDENTIFIED ISSUES**

The May 11 meeting will be cancelled.

**CITY COUNCIL
REPORTS**

All of our recommendations were adopted and a downtown builder was chosen.

ADJOURNMENT

Noting that there was no further business for the Planning Commission at this meeting, Chair Tanda adjourned the meeting at 9:40 p.m.

MINUTES RECORDED AND TRANSCRIBED BY:

ELIZABETH BASSETT, Development Services Technician